



# To Survive or Thrive?

MORGEN THOMAS LTD

FUNDRAISING CONSULTANCY & PROJECT MANAGEMENT

BRIEFING NOTES

# TO SURVIVE OR THRIVE? Charity management and fundraising in a locked down world

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We are seeing a variety of reactions (and indeed actions) from the charities with whom we work in both fundraising and management consultancy capacities, to the unprecedented times in which we find ourselves. Some have virtually completely retrenched, waiting for the world to change and hoping for the best.

Others are proactively addressing how they deliver their charitable activities with new ways of working (including digital channels) and how that work is resourced. In this they are balancing both cash preservation and income generation.

Their starting point of course is that they first need to survive to continue to serve their beneficiaries and fulfil their missions. Starting with their Trustees, these charities are revising existing budgets to identify immediate cost savings to prolong cash flow and ensure financial stability to fullest extent possible, so their charitable work can continue into an indeterminate period and in uncertain times.

Crucial to this process is reviewing contracts, leases and funding agreements to understand what can be exited, what can be relied upon and

indeed what might represent an immediate saving in the short term but could represent enormous, possibly fatal challenges down the line if some level of investment is not sustained. Trustees must be confident that the charity is a going concern and is able to pay its debts as and when they fall due. If not of course, Trustees could be personally liable.

The rapidly changing landscape requires innovative solutions. But the truly effective charities are undertaking a radical review of their existing structures to ensure they have sufficient financial ballast and agility to withstand future crises, whilst meeting their aims and objectives. As a result, the crisis has prompted several charities with whom we work to ask: We may be able, through prudent management and investment, to weather this storm. However what do we need to do, starting now, to make sure the impact of the next storm is less severe and we're better prepared?

For some of them this now means serious consideration of fundraising campaigns to grow their reserves and even to build endowment funds. That focus on resilience is not something donors shy away from, however much it might be perceived that they do.

In fact we are witnessing those charities, who have done outstanding work in stewarding their committed supporters, finding ready audiences for their message, shaped by what they see going on in the world and ready to give because they are keen to know that the cause they love is thoroughly prepared for the future - whatever it might hold.

These charities have grasped opportunities, not merely avoided risk, and recognised that fundraising in particular is not a cost centre but an investment: an essential investment in relationship management so that when the world does change, the pay off is immediate and the long term risks of losing already committed supporters and what they bring to our work – forever – are avoided.

It's often said in the commercial sector: *"Every contact we have with a customer influences whether or not they'll come back. We have to be great every time or we'll lose them."*

There's a lot of truth in that from which charities can learn of course. How many charities communicate minimally with existing donors, sometimes not even thanking them, while putting extraordinary efforts (and resources) to attracting new donors? In those situations it could be argued that they have no choice but to try to attract a high volume of new donors, because they have to replace the existing ones they've virtually ignored.

At the same time, donors - **supporters, givers** - are more than customers. They are essential partners in the work of a charity – and importantly, that's how they see themselves too.

I had some wise counsel from a mentor very early in my career which has always stayed with me and his insights have always held true: "Fundraising is not about raising money. It is about building relationships with people to the point where your vision becomes their vision and the money follows, but simply as a catalyst to realise that vision. Money isn't their point. If their money is YOUR only point, you may never see it."

One approach our clients are taking is proving to resonate powerfully with their donors. Their message? **We value you – especially now.**

Attracting new donors is always one of the most challenging (and expensive) aspects of fundraising, perhaps even more so at a time when our wider society is so preoccupied. That's why keeping existing donors engaged is so important. And even more important now.

We are seeing charities be proactive with open and transparent donor updates about the impact of corona virus on their work and the anticipated impacts once it's over. They have set out their response, both in terms of their charitable work and how they are managing the business of the charity.

Their message has been: *Our work was vitally needed before. The demand for our work is about to become even more acute and we're using this time, with your support, to get ready for that.*

The results of that relationship driven approach have been dramatic, with many donors topping up their regular giving, including major donors. One donor of £25,000 wrote back to a client Chair of Trustees, personally thanking him for the information, for valuing him enough to take the time to communicate – and enclosed a cheque for a further £25,000.

In another client situation, a family grant making trust had previously pledged £100,000, then after three years, and delighted with the relationship that built up, trebled that with a pledge of further £300,000 and brought in another donor to match them. The original gift of £100,000 had already turned into £700,000.

Yet when the Chair of Trustees personally updated the family on the corona virus impacts, they expressed their thanks for the information and reassurance and provided their own advice and views. They also offered to underwrite anything required by the charity until business can fully resume.

Those charities who are continuing to invest in relationship management, showing that they take their existing supporters seriously and value them as partners in their work, are now reaping the rewards of that commitment.

For more information email us at [info@morgenthomasfundraising.co.uk](mailto:info@morgenthomasfundraising.co.uk) or visit [www.morgenthomasfundraising.co.uk](http://www.morgenthomasfundraising.co.uk)

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